



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Inspection Report

Permit Number:	C0410002
Inspection Type:	COMPLETE
Inspection Date:	Tuesday, November 6, 2018
Start Date/Time:	11/6/2018 8:00:00 AM
End Date/Time:	11/6/2018 1:15:00 PM
Last Inspection:	Tuesday, October 2, 2018

Representatives Present During the Inspection:	
Company	Vicky Miller
OGM	Karl Houskeeper
Company	Bryant Bunnell
OGM	Priscilla Burton
OGM	Justin Eatchel

Inspector: Karl Houskeeper

Weather: Partly Cloudy, Temp. 33 Deg. F.

InspectionID Report Number: 6278

Accepted by: DHADDOCK

11/14/2018

Permitee: **CANYON FUEL COMPANY**
 Operator: **CANYON FUEL COMPANY**
 Site: **SUF CO MINE**
 Address: **597 SOUTH SR24, SALINA UT 84654**
 County: **SEVIER**
 Permit Type: **PERMANENT COAL PROGRAM**
 Permit Status: **ACTIVE**

Current Acreages

691.73	Total Permitted
96.42	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- Federal
- State
- County
- Fee
- Other

Types of Operations

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Karl R. Houskeeper

Inspector's Signature:

Date: Tuesday, November 6, 2018

Karl Houskeeper,

Inspector ID Number: 49

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining. telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov



REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

A review of the required paper work for a complete inspection was conducted prior to the field inspection. The paper work review provided the following information:

The current DOGM Permit for the SUFCO Mine C/041/0002 became effective on May 21, 2017 and expires on May 21, 2022.

The current insurance Policy GL6576428 is through Great Midwest Insurance Co. Effective date is 02/01/18 and expires on 02/01/19. All required parameters have been met.

Reclamation agreement is dated 28 June 2016 and is signed by both parties.

SPCC plan is dated November 2016 and is signed, dated and stamped by a Utah P.E on 11/30/16. Plans are good for five years.

UPDES Permit UT0022918 became effective on February 1, 2018 and expires at midnight on January 31, 2023. There are three authorized outfalls.

Air Quality Permit N10665-0014 was issued on 1-28-13 and is still effective for the mine site.

Business License Is through Salina City, Business License #32 issued on January 1, 2018 and expires December 31, 2018.

2. Signs and Markers

All mine identification signs were checked for compliance against the requirements of the regulations pertaining to identification signs. These signs contained as required the name, address, phone number and mining permit number associated with the operator. New stickers have been made to identify the new name of the company, the new address and phone number. These stickers will be placed over the old information. Temperatures during the inspection were prohibitive for placement.

4.a Hydrologic Balance: Diversions

Diversions around the mine site and at the waste rock site were open and functional according to design.

New diversions were currently being constructed in associated with the further expansion of the waste rock site, while certain portions of an existing diversion had been removed to allow for future waste rock placement.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The second quarter 2018 inspections for the waste rock North and South sediment ponds were done on June 29, 2018. The second quarter 2018 inspections for the mine main and overflow sediment ponds were done on June 22, 2018. No problems or structural instabilities were noted.

Third quarter inspection has been done and a report will be compiled and submitted within a week. The sediment pond embankments appeared stable, No visible hazards were observed.

4.e Hydrologic Balance: Effluent Limitations

The discharge monitoring reports for September 2018 were reviewed as part of the complete inspection. The reports were submitted to DEQ. No problems were noted.

7. Coal Mine Waste, Refuse Piles, Impoundments

Second quarter 2018 refuse pile inspection was done on June 29, 2018 and P. E certified on July 9, 2018. No problems were identified on the inspection report. The inspection of the refuse pile expansion area today showed that that material have been spread out in the approved lifts and compacted. No structural problems were noted. No hazardous conditions existed.

Third quarter inspection have been done and a report will be compiled and submitted within a week

The area for future expansion has been grubbed, topsoil and subsoil have been stripped. The removed soils have been placed in separate piles near to or adjacent to the new expansion to be used in a continuous reclamation as the pile expands.

20. Air Quality Permit

Approval Order #N10665-0014 from the Division of Air Quality was issued on 01/28/2013.

21. Bonding and Insurance

Bond is through Lexon Insurance Co which is indemnified by Iron Shore Indemnity Inc. Insurance Co. effective August 15, 2013. The bond was revised 08/19/2015 adding a rider to the original bond bringing the bond to \$3,944,000. The bond was revised again on 06/28/16 for the rock chute reconstruction. The current bond amount is \$4,362,000.



Refuse Expansion Area, Waste Rock Site



Refuse Expansion Area, Waste Rock Site



Refuse Expansion Area, Waste Rock Site



Refuse Expansion Area, Waste Rock Site



Refuse Expansion Area, Waste Rock Site



Refuse Expansion Area, Waste Rock Site



Waste Rock South Sediment Pond



Refuse Expansion Area, Waste Rock Site



Mine Overview